

August 22, 2024



Executive Summary Second Quarter 2024

Arkansas Judicial Retirement
System

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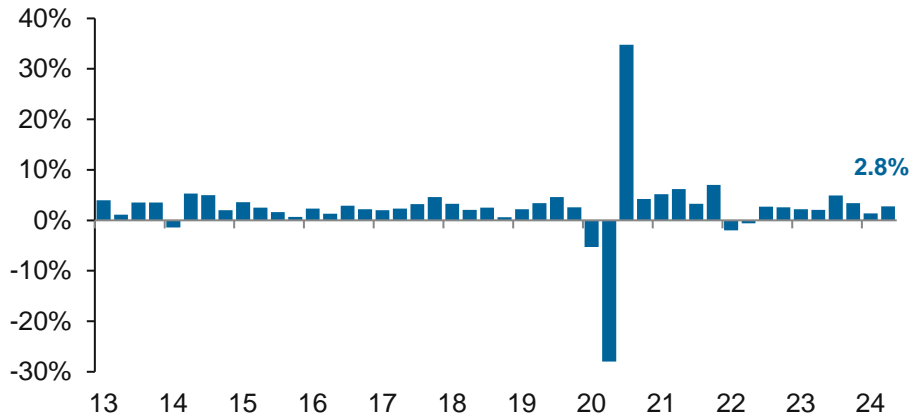


Economic Overview
June 30, 2024

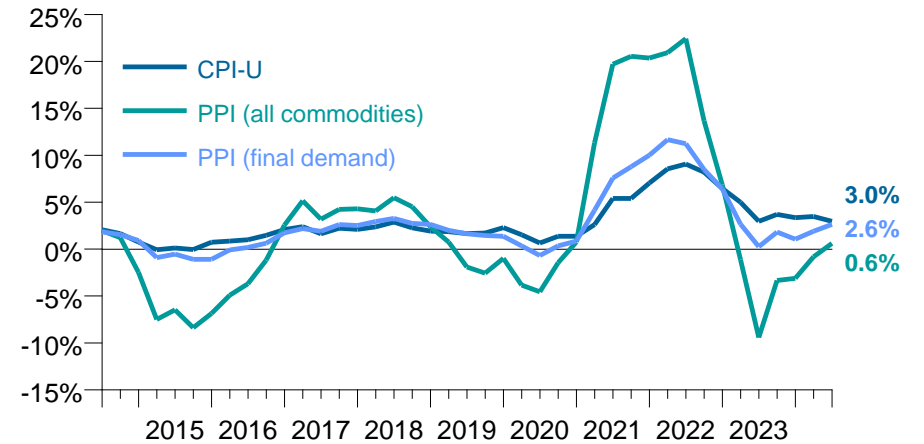
U.S. Economy—Summary

For periods ended 6/30/24

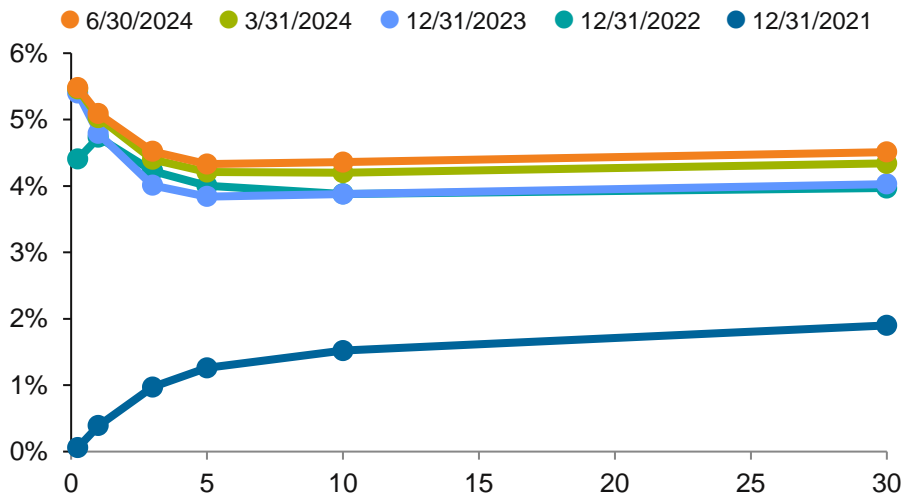
Quarterly Real GDP Growth



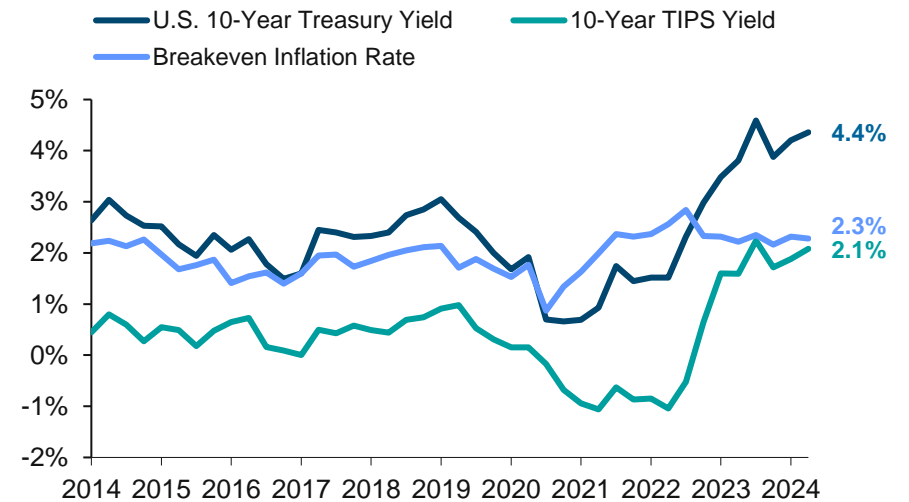
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve



Global Markets Snapshot

June 30, 2024

Global Markets Snapshot

Returns for Periods ended 6/30/24

	Q2 2024	FYTD	1 Year	5 Years	10 Years	25 Years
U.S. Equity						
S&P 500	4.28	24.56	24.56	15.05	12.86	7.67
Russell 1000 Growth	8.33	33.48	33.48	19.34	16.33	8.18
Russell 1000 Value	(2.17)	13.06	13.06	9.01	8.23	6.85
Russell 2000	-3.28	10.06	10.06	6.94	7.00	7.60
Russell 2000 Growth	(2.92)	9.14	9.14	6.17	7.39	6.42
Russell 2000 Value	(3.64)	10.90	10.90	7.07	6.23	8.32
Russell 3000	3.22	23.13	23.13	14.14	12.15	7.82
Global ex-U.S. Equity						
MSCI World ex USA	-0.60	11.22	11.22	6.55	4.27	4.63
MSCI:EAFE	(0.42)	11.54	11.54	6.46	4.33	4.49
MSCI Emerging Markets	5.00	12.55	12.55	3.10	2.79	--
MSCI ACWI ex USA Small Cap	0.66	11.26	11.26	6.13	4.44	6.74
Fixed Income						
Bloomberg Aggregate	0.07	2.63	2.63	-0.23	1.35	3.88
90-day T-Bill	1.32	5.40	5.40	2.16	1.51	1.91
Bloomberg Long Gov/Credit	-1.73	-1.58	-1.58	-2.22	1.65	5.29
Bloomberg Global Agg ex-US	-2.11	-0.66	-0.66	-3.56	-1.86	2.46
Real Estate						
NCREIF Property	-0.26	-5.53	-5.53	3.39	6.07	7.75
NCREIF NFI ODCE Eq Wt Net	-0.82	-10.32	-10.32	2.58	5.80	6.23
FTSE Nareit Equity	0.06	7.79	7.79	3.90	5.90	9.06
Alternatives						
HFRI Fund Weighted	0.54	9.80	9.80	6.67	4.77	6.00
Cambridge Private Equity*	2.61	5.95	5.95	15.39	13.70	13.62
Inflation - CPI-U						
	0.59	2.97	2.97	4.17	2.80	2.58

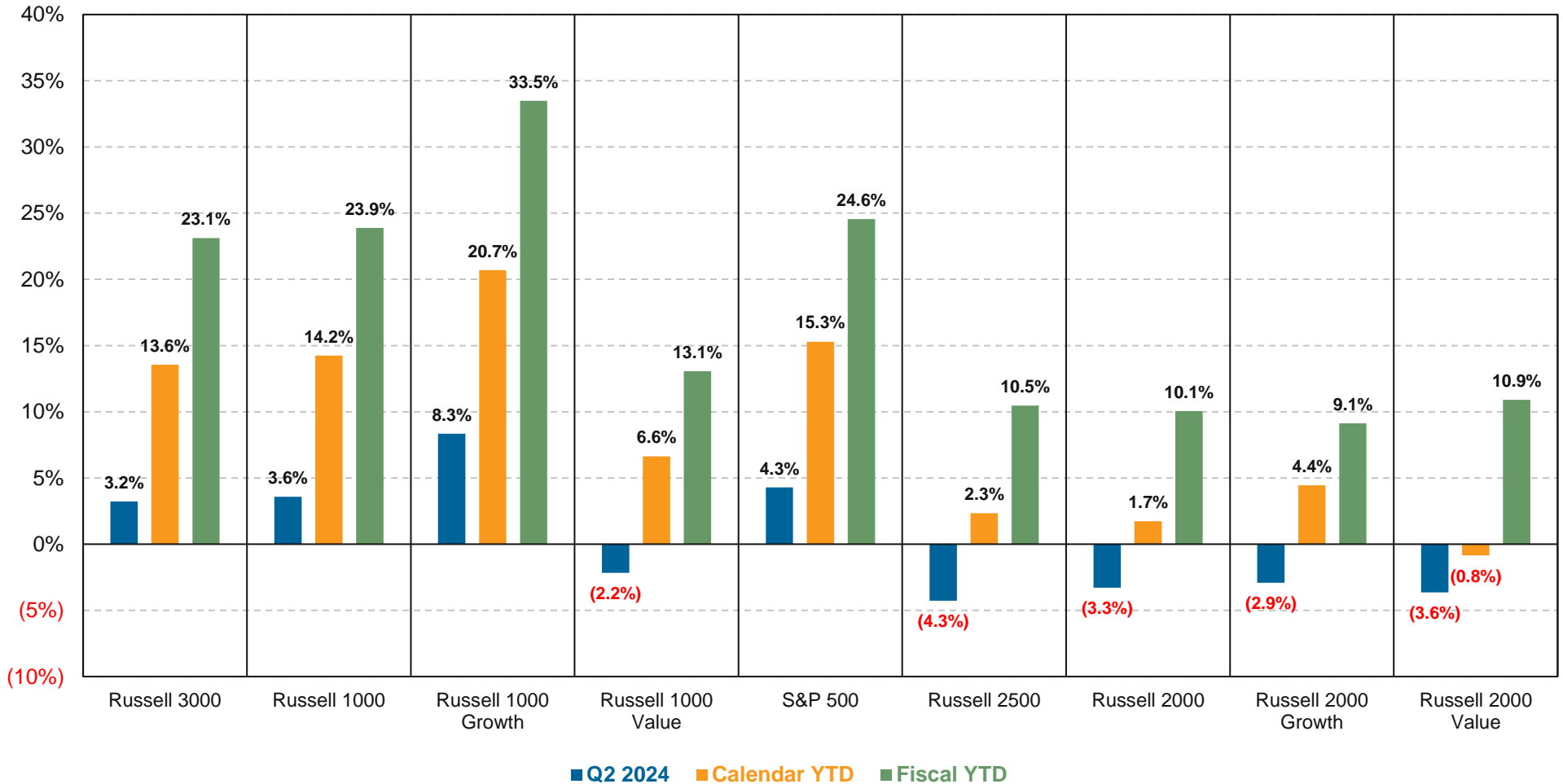
*Cambridge PE data as of 12/31/23

Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

U.S. Equity Market Snapshot: Q2 2024

Broad indices exhibited a strong start to 2024, but performance was uneven

Returns for Periods Ended June 30, 2024

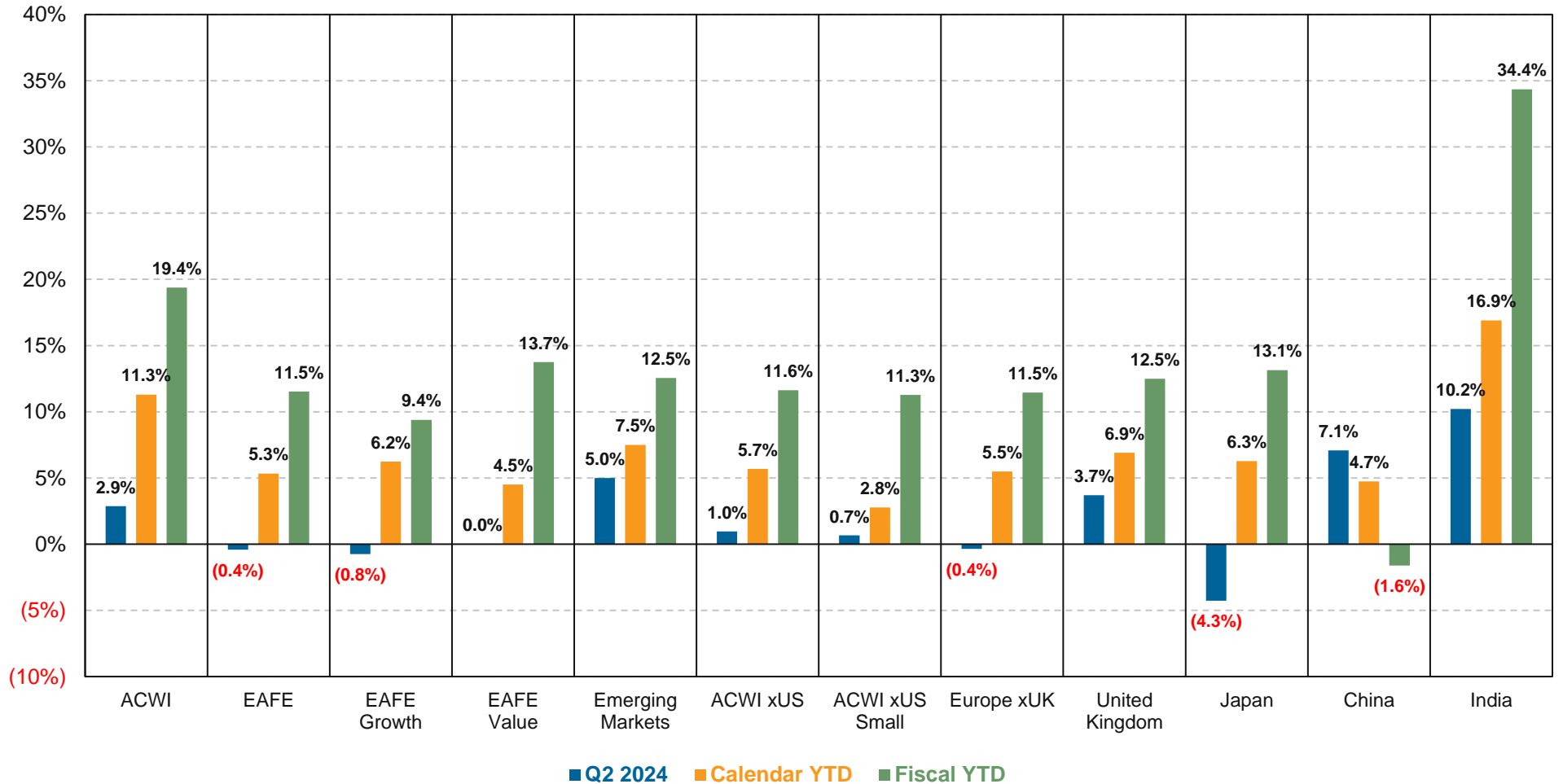


Sources: FTSE Russell, S&P Dow Jones Indices

Global Equity Market Snapshot: Q2 2024

Reversal as China snaps back and Japan lags; India continues to outperform

Returns for Periods Ended June 30, 2024

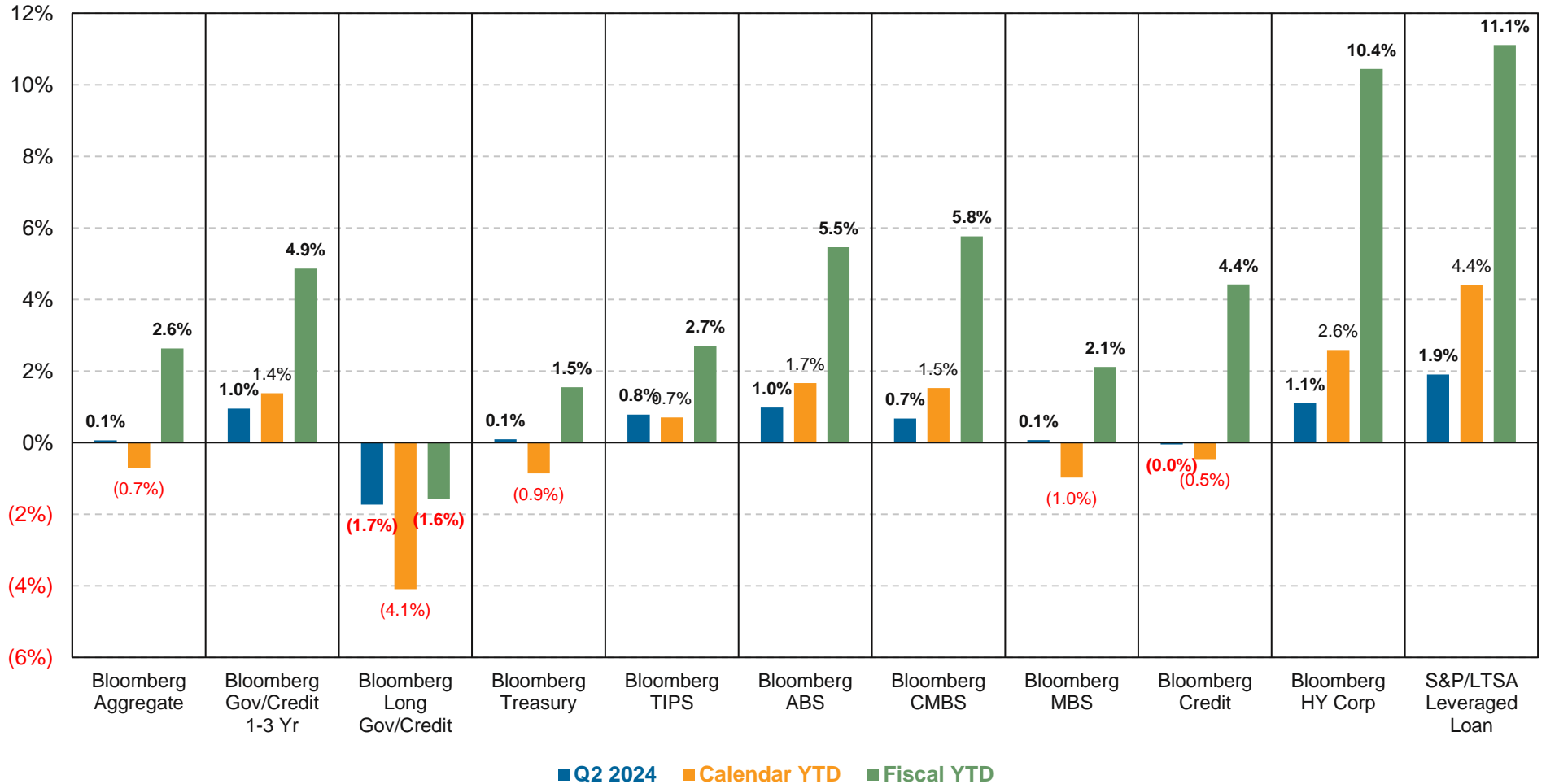


Source: MSCI

U.S. Fixed Income Market Snapshot: Q2 2024

Muted performance across the board

Returns for Periods Ended June 30, 2024



Sources: Bloomberg, Callan, S&P Dow Jones Indices

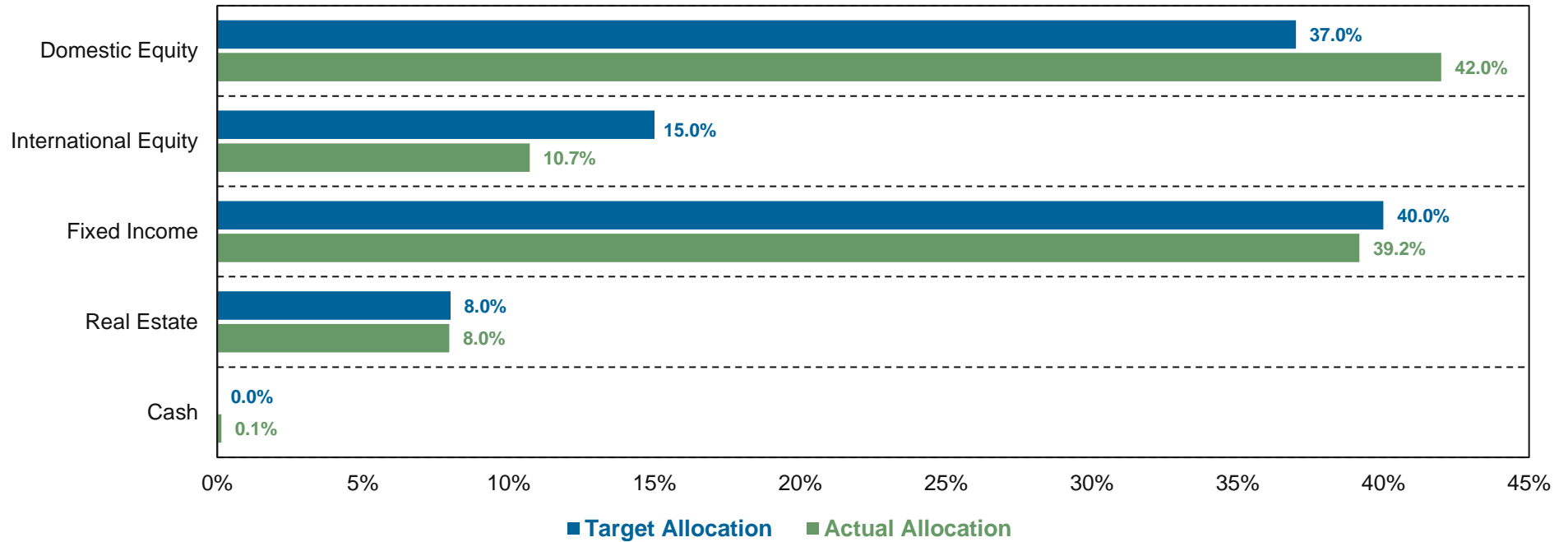


AJRS Portfolio Review

June 30, 2024

Actual vs. Target Asset Allocation

June 30, 2024



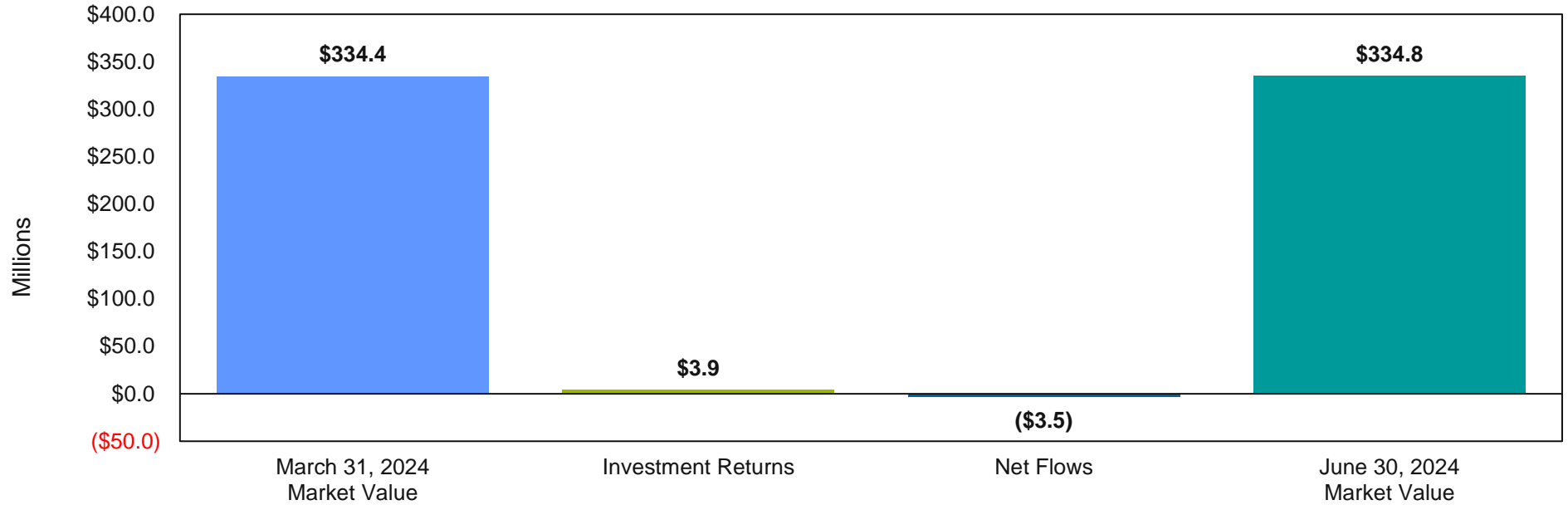
Asset Class	\$000s Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	140,585	42.0%	32.0%	37.0%	42.0%
International Equity	35,896	10.7%	10.0%	15.0%	20.0%
Fixed Income	131,199	39.2%	35.0%	40.0%	45.0%
Real Estate	26,666	8.0%	3.0%	8.0%	13.0%
Cash	481	0.1%	0.0%	0.0%	5.0%
Total	334,827	100.0%		100.0%	

AJRS' target asset allocation was approved at the February 2024 Board meeting.

Total Fund Asset Summary

June 30, 2024

Changes in Total Fund Assets – Q2 2024



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
Q2 2024 (3/31/24 - 6/30/24)	\$334,429,908	+	\$3,893,476	+	(\$3,496,363)	=	\$334,827,022
Fiscal Year (6/30/23 - 6/30/24)	\$308,408,935	+	\$34,342,471	+	(\$7,924,384)	=	\$334,827,022

Total Fund Performance

June 30, 2024

Returns for Periods Ended June 30, 2024

Group: Callan Public Fd Mid DB

	Q2 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	2.13%	14.30%	4.62%	8.89%	7.96%	7.63%
25th Percentile:	1.92%	12.92%	3.93%	8.30%	7.41%	7.35%
Median	1.34%	11.70%	3.03%	7.71%	6.90%	7.12%
75th Percentile:	0.98%	10.29%	2.11%	6.80%	6.50%	6.72%
90th Percentile:	0.43%	9.09%	1.43%	6.24%	5.93%	6.47%
Total Fund	1.20% (56)	11.23% (58)	1.41% (90)	7.02% (70)	6.71% (61)	7.00% (56)
Benchmark	1.33% (51)	10.31% (74)	2.22% (74)	6.65% (79)	6.43% (79)	6.70% (76)
Peer Universe Constituents	125	125	123	123	116	76

Peer group ranking in parentheses.
Benchmark definitions included in the Appendix

Asset Class Performance and Market Values

June 30, 2024

	Market Value \$(Dollars)	Ending Weight	Q2 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity Russell:3000 Index	\$140,584,783	42.0%	2.36% 3.22%	24.01% 23.13%	24.01% 23.13%	8.61% 8.05%	14.57% 14.14%	12.05% 12.15%
International Equity Intl Equity Benchmark	\$35,896,157	10.7%	(0.77%) 1.17%	2.61% 12.17%	2.61% 12.17%	(8.98%) 0.97%	3.41% 6.05%	3.45% 4.30%
Fixed Income Blmbg:Aggregate	\$131,199,470	39.2%	1.04% 0.07%	6.82% 2.63%	6.82% 2.63%	(1.80%) (3.02%)	1.50% (0.23%)	2.48% 1.35%
Real Estate NCREIF:NFI-ODCE Eq Wt Net	\$26,666,057	8.0%	(1.29%) (0.82%)	(10.49%) (10.32%)	(10.49%) (10.32%)	0.90% 1.14%	2.33% 2.58%	6.18% 5.80%
Cash & Equivalents 3 Month T-Bill	\$480,554	0.1%	1.36% 1.32%	5.43% 5.40%	5.43% 5.40%	3.07% 3.03%	2.14% 2.16%	1.53% 1.51%
AJRS Total Composite AJRS Total Composite Target	\$334,827,022	100.0%	1.20% 1.33%	11.23% 10.31%	11.23% 10.31%	1.41% 2.22%	7.02% 6.65%	6.71% 6.43%

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

June 30, 2024

	Q2 2024		Fiscal Year		Last 3 Years		Last 5 Years		Last 10 Years	
Domestic Equity	2.36%	44	24.01%	9	8.61%	16	14.57%	11	12.05%	34
Russell 3000 Index	3.22%	10	23.13%	12	8.05%	28	14.14%	25	12.15%	24
S&P 500 Index	4.28%	5	24.56%	6	10.01%	6	15.05%	4	12.86%	9
Med Public Fd - Dom Eqty	2.13%		20.98%		7.71%		13.43%		11.72%	
Mellon Russell 1000 Growth Index	8.42%	15	33.66%	42	11.18%	18	-		-	
Russell 1000 Growth Index	8.33%	15	33.48%	42	11.28%	16	19.34%	9	16.33%	15
Callan Large Cap Growth	6.42%		31.92%		8.73%		16.51%		15.26%	
Boston Partners	(1.15%)	41	21.90%	10	9.74%	11	12.73%	16	10.21%	18
Russell 1000 Value Index	(2.17%)	67	13.06%	83	5.52%	82	9.01%	89	8.23%	88
Callan Large Cap Value	(1.58%)		16.26%		7.38%		10.98%		9.20%	
Aristotle Capital Boston	(1.42%)	17	7.66%	74	0.91%	60	-		-	
Russell 2000 Index	(3.28%)	55	10.06%	60	(2.58%)	94	6.94%	88	7.00%	90
Callan Small Cap Core	(3.15%)		11.48%		1.40%		8.99%		8.67%	
International Equity	(0.77%)	100	2.61%	99	(8.98%)	99	3.41%	99	3.45%	87
International Equity Benchmark	1.17%	70	12.17%	46	0.97%	45	6.05%	60	4.29%	73
Med Public Fd - Int Eqty	1.56%		12.02%		0.64%		6.43%		5.04%	
Baillie Gifford Intl Choice Fd	(0.77%)	76	2.61%	97	(8.98%)	99	3.41%	98	-	
MSCI ACWIxUS Gross	1.17%	23	12.17%	38	0.97%	65	6.05%	70	4.34%	78
Callan NonUS Eq	0.23%		11.15%		2.10%		7.10%		5.22%	

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

June 30, 2024

	Q2 2024		Fiscal Year		Last 3 Years		Last 5 Years		Last 10 Years	
Fixed Income	1.04%	1	6.82%	1	(1.80%)	35	1.50%	9	2.48%	12
Bloomberg Aggregate Index	0.07%	80	2.63%	92	(3.02%)	90	(0.23%)	97	1.35%	90
Med Public Fd - Dom Fixed	0.19%		3.99%		(2.22%)		0.69%		1.87%	
Mackay Shields LLC	1.04%	1	6.82%	4	(1.80%)	17	1.50%	15	2.48%	24
Blmbg Aggregate Index	0.07%	96	2.63%	95	(3.02%)	90	(0.23%)	98	1.35%	100
Callan Core Plus FI	0.42%		4.31%		(2.33%)		0.91%		2.25%	
Real Estate	(1.29%)	91	(10.49%)	57	0.90%	61	2.33%	54	6.18%	27
Med Public Fd - Real Est	(0.26%)		(9.42%)		1.51%		2.51%		5.61%	
Invesco Core Real Estate	(1.29%)	79	(10.49%)	70	0.90%	63	2.33%	66	6.18%	45
NFI-ODCE Equal Weight Net	(0.82%)	60	(10.32%)	68	1.14%	59	2.58%	61	5.80%	61
Callan OE Core Cmngld RE	(0.60%)		(8.55%)		1.60%		3.18%		5.96%	
Total Fund	1.20%	56	11.23%	58	1.41%	90	7.02%	70	6.71%	61
Callan Public Fd Mid DB	1.34%		11.70%		3.03%		7.71%		6.90%	
Total Fund ex Cash	1.20%	56	11.21%	59	1.41%	90	7.06%	68	6.75%	60
Target Benchmark*	1.33%	51	10.31%	74	2.22%	74	6.65%	79	6.43%	79
Callan Public Fd Mid DB	1.34%		11.70%		3.03%		7.71%		6.90%	

Benchmark definitions included in the Appendix.

Work Plan Update

Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	08/2024	11/2024
Quarterly Board Meetings	Quarterly	08/2024	11/2024
Customized Board Education Sessions	As Needed		As Needed
Investment Policy Statement Review	Annual	02/2024	As Needed

Multi-Year Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Asset Allocation Analysis	3-5 years	02/2024	2027 - 2029
Domestic Equity Manager Search – Aristotle Hired	As Needed	05/2019	
Non-U.S. Equity Manager Search – TBD	As Needed	08/2024	
Fixed Income Manager Search – Mackay Shields Hired	As Needed	02/2010	
Real Estate Manager Search – Invesco Hired	As Needed	11/2011	

Callan

 **Appendix**

Benchmark Definitions

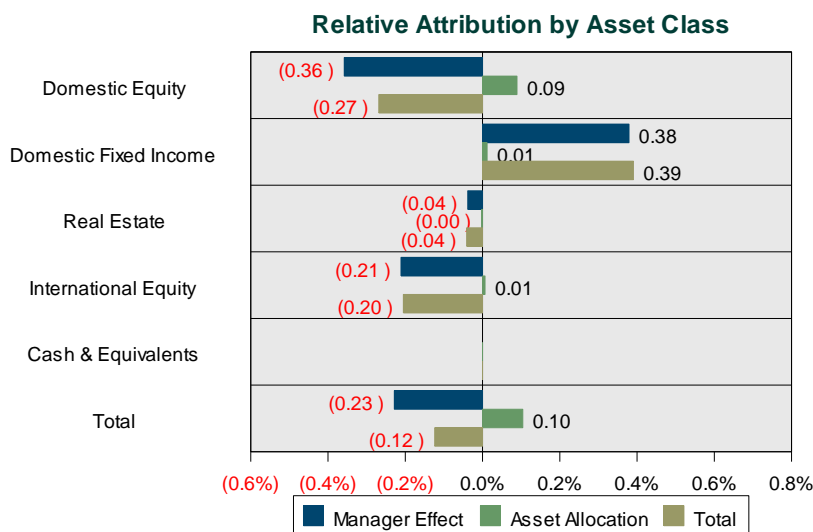
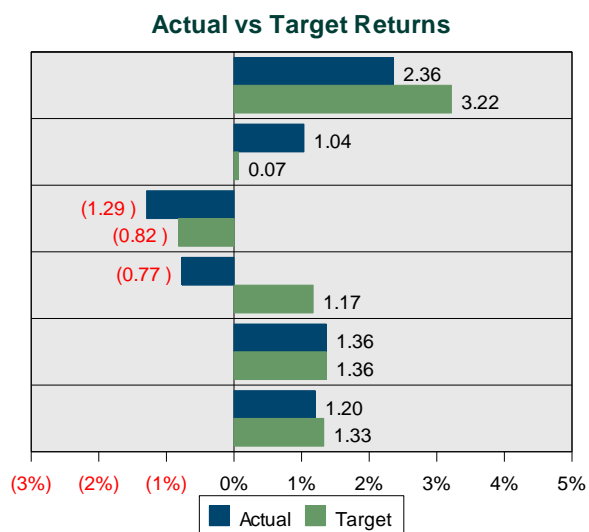
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights.

	<u>Target</u>
Domestic Equity	37.0%
International Equity	15.0
Fixed Income	40.0
<u>Real Estate</u>	<u>8.0</u>
Total Target	100.0%

2. **Domestic Equity Benchmark:** Russell 3000 Index
3. **International Equity Benchmark:** MSCI EAFE prior to 7/1/17, MSCI ACWI xUS Gross thereafter
4. **Fixed Income Benchmark:** Bloomberg Aggregate Index
5. **Real Estate Benchmark:** NCREIF NFI-ODCE Eq Wt Net

Total Fund Relative Attribution – Q2 2024

June 30, 2024



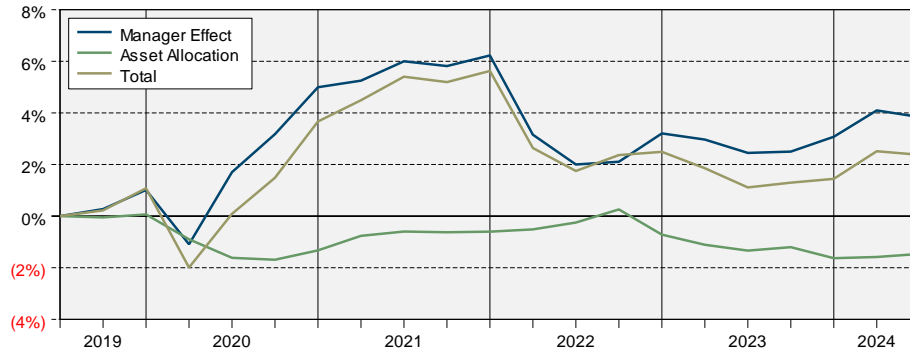
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	37%	2.36%	3.22%	(0.36%)	0.09%	(0.27%)
Domestic Fixed Income	39%	40%	1.04%	0.07%	0.38%	0.01%	0.39%
Real Estate	8%	8%	(1.29%)	(0.82%)	(0.04%)	(0.00%)	(0.04%)
International Equity	11%	15%	(0.77%)	1.17%	(0.21%)	0.01%	(0.20%)
Cash & Equivalents	0%	0%	1.36%	1.36%	0.00%	0.00%	0.00%
Total			1.20%	1.33%	+ (0.23%)	+ 0.10%	(0.12%)

Benchmark definitions included in the Appendix.

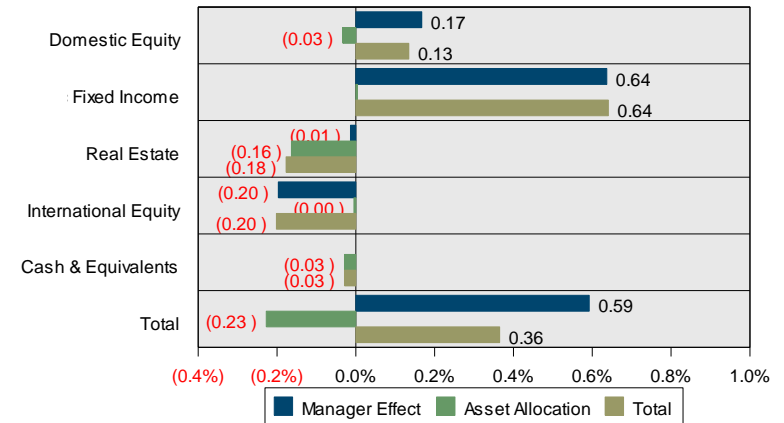
Total Fund Relative Attribution – 3 Years

June 30, 2024

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



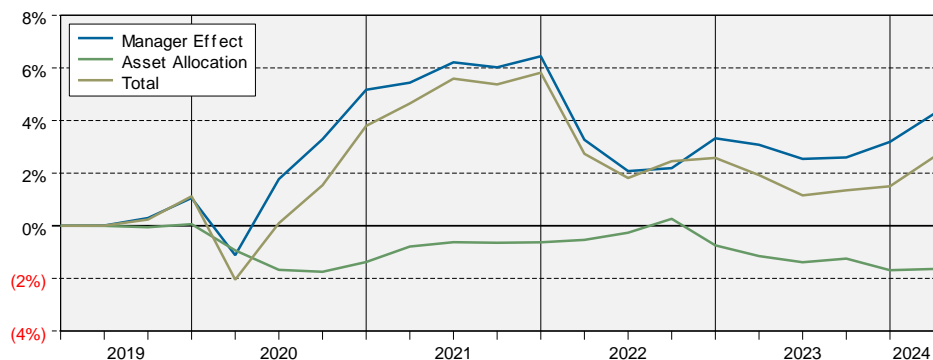
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	37%	8.61%	8.05%	0.18%	0.05%	0.23%
Domestic Fixed Income	40%	40%	(1.80%)	(3.02%)	0.49%	(0.03%)	0.46%
Real Estate	9%	8%	0.90%	1.14%	(0.01%)	(0.17%)	(0.18%)
International Equity	12%	15%	(8.98%)	0.97%	(1.26%)	(0.05%)	(1.32%)
Cash & Equivalents	0%	0%	3.07%	3.07%	0.00%	(0.00%)	(0.00%)
Total			1.41%	2.22%	(0.61%)	(0.21%)	(0.81%)

Benchmark definitions included in the Appendix.

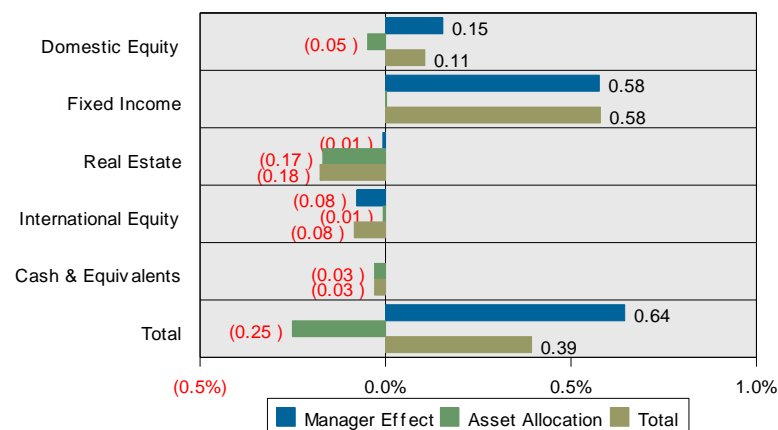
Total Fund Relative Attribution – 5 Years

June 30, 2024

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects



Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	37%	14.57%	14.14%	0.17%	(0.03%)	0.13%
Domestic Fixed Income	39%	40%	1.50%	(0.23%)	0.64%	0.00%	0.64%
Real Estate	9%	8%	2.33%	2.58%	(0.01%)	(0.16%)	(0.18%)
International Equity	13%	15%	3.41%	6.05%	(0.20%)	(0.00%)	(0.20%)
Cash & Equivalents	0%	0%	2.14%	2.14%	0.00%	(0.03%)	(0.03%)
Total			7.02%	6.65%	+ 0.59%	+ (0.23%)	0.36%

Benchmark definitions included in the Appendix.

Asset Distribution Across Investment Managers

June 30, 2024

	June 30, 2024		Net New Inv.	Inv. Return	March 31, 2024	
	Market Value	Weight			Market Value	Weight
Domestic Equity	\$140,584,783	41.99%	\$(3,631,179)	\$3,172,541	\$141,043,422	42.17%
Mellon Russell 1000 Growth Index	54,075,021	16.15%	(3,405,154)	4,241,493	53,238,683	15.92%
Boston Partners	67,068,908	20.03%	(186,526)	(786,279)	68,041,712	20.35%
Aristotle Capital Boston	19,440,854	5.81%	(39,499)	(282,674)	19,763,027	5.91%
International Equity	\$35,896,157	10.72%	\$0	\$(279,038)	\$36,175,195	10.82%
Baillie Gifford	35,896,157	10.72%	0	(279,038)	36,175,195	10.82%
Fixed Income	\$131,199,470	39.18%	\$(96,885)	\$1,342,503	\$129,953,852	38.86%
MacKay Shields LLC	131,199,470	39.18%	(96,885)	1,342,503	129,953,852	38.86%
Real Estate	\$26,666,057	7.96%	\$(28,160)	\$(349,381)	\$27,043,598	8.09%
Invesco Core Real Estate	26,666,057	7.96%	(28,160)	(349,381)	27,043,598	8.09%
Cash & Equivalents	\$480,554	0.14%	\$259,862	\$6,851	\$213,841	0.06%
AJRS Cash Account	480,554	0.14%	259,862	6,851	213,841	0.06%
Total Fund	\$334,827,022	100.0%	\$(3,496,363)	\$3,893,476	\$334,429,908	100.0%

Investment Manager Returns – Net of Fees

June 30, 2024

	Q2 2024	Last Year	Last 3 Years	Last 5 Years	Last 17 Years
NET OF FEE RETURNS					
Domestic Equity					
Mellon Russell 1000 Growth Index	8.41%	33.61%	11.13%	-	-
Russell 1000 Growth Index	8.33%	33.48%	11.28%	19.34%	12.82%
Boston Partners Russell 1000 Value	(1.27%) (2.17%)	21.29% 13.06%	9.17% 5.52%	12.14% 9.01%	8.49% 6.81%
Aristotle Capital Boston Russell 2000 Index	(1.62%) (3.28%)	6.81% 10.06%	0.10% (2.58%)	- 6.94%	- 6.89%
International Equity					
Baillie Gifford Intl Choice Fd MSCI ACWIxUS Gross	(0.86%) 1.17%	2.10% 12.17%	(9.44%) 0.97%	2.91% 6.05%	- 3.25%
Domestic Fixed Income					
MacKay Shields LLC Blmbg Aggregate Index	0.96% 0.07%	6.50% 2.63%	(2.10%) (3.02%)	1.19% (0.23%)	- 2.97%
Real Estate					
Invesco Core Real Estate NFI-ODCE Equal Weight Net	(1.40%) (0.82%)	(10.78%) (10.32%)	0.61% 1.14%	2.03% 2.58%	- 4.00%
Total Fund	1.11%	10.84%	1.06%	6.64%	5.89%
Total Fund ex Cash					
Target Benchmark*	1.11%	10.82%	1.05%	6.69%	6.07%
	1.33%	10.31%	2.22%	6.65%	6.15%

Benchmark definitions included in the Appendix.

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